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FISCAL IMPACT STATEMENT

LS 6060

BILL NUMBER: SB 58

NOTE PREPARED: Feb 21, 2006

BILL AMENDED:

SUBJECT: TRF Administrative Issues.

FIRST AUTHOR: Sen. Harrison

FIRST SPONSOR: Rep. Buell

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X **GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill: (1) specifies the type of disability benefit that a member of the Indiana State Teachers' Retirement Fund (TRF) must be eligible to receive in order for the member's surviving spouse to qualify for a survivors' benefit; (2) allows a TRF member who also serves in an elected position and elects, while holding the elected position, to begin receiving the retirement benefits to which the member is entitled by age and service to choose whether to retire from TRF or the Public Employees' Retirement Fund (PERF); and (3) restricts the award of military service credit by TRF to service that is not used by the member under the terms of a military or another governmental retirement plan. (The introduced version of this bill was prepared by the Pension Management Oversight Commission.)

Effective Date: July 1, 2006.

Explanation of State Expenditures: The provisions regarding disability benefits (Part 1) and members in elected positions (Part 2) will have no fiscal impact. Restricting the award of military service credit (Part 3) may reduce expenditures from the Teachers' Retirement Fund; but at this time, the number of members involved, the amount of military service involved, and the salaries of affected members are not known. The fund affected is the state General Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: The provisions regarding disability benefits (Part 1) and members in elected positions (Part 2) will have no fiscal impact. Restricting the award of military service credit (Part 3) may reduce expenditures from the Teachers' Retirement Fund; but at this time, the number of members involved, the amount of military service involved, and the salaries of affected members are not known. Local

school corporations support the 1996 Plan by contributing a level percent of payroll. Currently, that percentage is 6.8%. It is unlikely that this provision will change that percentage.

Explanation of Local Revenues:

State Agencies Affected: Teachers' Retirement Fund.

Local Agencies Affected: Local school corporations.

Information Sources: Robert Newland, Acting Director of the Teachers' Retirement Fund, 317-232-3869.

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